

BY-LAWS
of the
SENIOR CANYON MUTUAL WATER COMPANY

Cumulative Revision No. 2: October 30, 2021

By-laws of the Senior Canyon Mutual Water Company

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**BY-LAWS
of the
SENIOR CANYON MUTUAL WATER COMPANY**

**ARTICLE I
Name and Address**

Section 1. Name. The name of this corporation is the Senior Canyon Mutual Water Company (“Company”).

Section 2. Offices.

2.1. Principal Office. The principal office for the transaction of the business of the Company is located at Ventura County, California. The Board of Directors (“Board”) shall fix the location of the principal executive office of the Company at any place within the State of California. The Board may change the principal office from one location to another.

2.2. Branch Offices. Branch or subordinate offices may be established at any time and at any place by the Board.

**ARTICLE II
Purpose and Corporate Organization¹**

Section 1. Purpose and Limitations.

1.1. Purpose. The Company is a California general stock corporation. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law. Without limiting the generality of the foregoing, the specific purpose of the Company is to deliver water to its shareholders at cost, including the development, use, and maintenance of works for conserving, treating, delivering, and reclaiming water. (See Pub. Util. Code, § 2725.) Although the Company operates and maintains a public water system as defined under California law (Health & Saf. Code, § 116275, subd. (h)), the Company is not a public or private utility and is not regulated by the California Public Utilities Commission.

1.2. Limitations. Notwithstanding any other provision of these bylaws, the Company shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes for which the Company is organized as herein set forth. The Company shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Internal Revenue Code of 1986 section 501, subdivision (c)(12).

Section 2. Corporate Organization

2.1. Non-Profit. The Company’s purpose, like that of most mutual water companies, is to develop, distribute, supply, or deliver water for irrigation or domestic use,

¹ Non-substantive edits made to correct factual statements concerning relevant law. Dec. 2, 2021.

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or both, to its members, at actual costs plus necessary expenses. (Corp. Code, § 14301.) In other words, mutual water companies like the Company are essentially cooperatives formed by landowners in small communities to provide for the water needs of their properties. In that sense, the Company is a customer-owned water provider.

2.2. Authority. The corporate rules governing the formation and obligations of the Company in general are found in different places under California Law. Corporations Code section 14300, et seq., and section 14310, et seq. specifically address mutual water companies, but the treatment is not comprehensive. To the extent the issue is not specifically addressed in the above referenced sections, the general corporate law governs (Corp. Code, § 100, et seq.)

ARTICLE III Open Board of Directors Meetings

Section 1. Meetings Open to Eligible Persons. All meetings of the Board of Directors (“Board meetings”) except for Executive Sessions described below shall be open to attendance by “Eligible Persons.” Eligible Persons shall mean shareholders, non-shareholder customers who receive water service from the Company, and any elected city or county official who represents people who receive drinking water from the Company on a retail basis. (Corp. Code, § 14305, subd. (o)(1).) Except for shareholders, any Eligible Person who desires to attend a Board meeting must provide at least twenty-four (24) hours prior written notice of his or her intent to attend that meeting. Any Eligible Person who attends a Board meeting must be allowed to speak at the meeting, although the Board can establish a reasonable time limit for such comments.

Section 2. Executive Session Exclusions. Eligible Persons may be excluded from executive sessions of Board meetings to discuss (a) litigation; (b) contracts to be formed with third parties; (c) shareholder discipline, provided that the shareholder that is the subject of any fine, penalty or other discipline has the right to attend the executive session; (d) personnel matters; or (e) a shareholder’s payment of assessments where the shareholder requests to meet in executive session. (Corp. Code, § 14305, subd. (b)(2).) Any matters discussed in executive session of a Board meeting must be generally noted in the minutes of the Board meeting at which the executive session took place.

Section 3. Notice of Board Meetings.

3.1. Notice to Eligible Persons. Except as otherwise provided, notice of the time and place of all Board meetings must be provided, as specified in this paragraph, to all Eligible Persons at least four (4) days before the meeting. Notice of the meeting must specify the time and place of the meeting and must include an agenda for the meeting, specifying the items to potentially be discussed and upon which action may be taken. Notice of the meeting shall be posted on the Company’s website, and additionally may be posted on a neighborhood networking website, or at the outside of the Company’s office or meeting location, and may be provided by e-mail to any Eligible Person if the Eligible Persons consents, and must be provided by mail to any Eligible Person who has requested

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mailed notice of the meetings; provided that the Company may recover from the recipient the reproduction and mailing costs for that requested notice. Advance notice of the meeting time and location for regular Board and shareholder meetings may be provided to shareholders by mail with the monthly billing statement, addressed to such shareholder at his or her address appearing on the books of the Company.

3.2. Notice to Board of Directors. Notice of Board meetings provided to Board members shall be as provided in Article V of these By-laws.

3.3. Emergency Board Meetings Excluded. An emergency Board meeting may be called by the President, or by any two directors other than the President, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide notice as required by Section 3.1, above.

Section 4. Limitation on Board Discussion; Manner of Action.

4.1. Limitation on Board Discussion. Other than for the exceptions listed in Corporations Code section 14305, subdivision (i), the Board may not discuss or take action on any item at a non-emergency Board meeting that is not placed on the agenda included in the notice for that meeting. Directors are also prohibited from taking action on any items outside of a Board meeting unless the item has been delegated by the Board to another person.

4.2 Manner of Action. Unless otherwise provided in these By-laws, the Board may approve items placed on the agenda by simple majority vote, with the vote by each director being recorded in the meeting minutes. If required by a third party or for matters of convenience, the Board may take any action in the form of a Board resolution.

Section 5. Place of Board Meetings; Meetings by Telephone or by Electronic Transmission. Board meetings shall be held at such place within the State of California as has been designated from time to time by approval of the Board, or by written consent of all members of the Board; and, in the absence of such designation, shall be held at the principal office of the Company. Any meeting may be held by conference telephone or similar communications equipment, so long as notice of the teleconferenced meeting is provided (including identifying at least one physical location where Eligible Persons, as defined in Section 1, above, may attend) and all directors participating in the meeting, and any Eligible Person attending the meeting, can hear one another. All directors participating by teleconference shall be deemed to be present in person at the meeting. The Board may not conduct a meeting by a series of electronic transmissions, except in the event of an emergency Board meeting, as described in Section 3.2, above, where all directors consent in writing to the action.

Section 6. Violations of Open Meeting Requirements. If an Eligible Person alleges the Board has violated the open meeting requirements specified in this article, before filing a legal action regarding that alleged violation, the Eligible Person must make a demand on the Board to cure or correct the alleged violation. The demand must be in writing, and must be submitted to the Board within ninety (90) days from the date the alleged violation occurred. The demand must state the Board action being challenged and

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the nature of the alleged violation. Within thirty (30) days of receipt of the demand, the Board must cure or correct the challenged action and inform the Eligible Person in writing of its actions to cure or correct, or inform the Eligible Person in writing of the Board's decision not to cure or correct the challenged action.

Within fifteen (15) days of receipt of the written notice of the Board's decision to cure or correct or not to cure or correct, or within fifteen (15) days of the expiration of the 30-day period to cure or correct, whichever is earlier, the Eligible Person may commence legal action. If the Eligible Person fails to commence the action within that fifteen (15) day period, the Eligible Person is then barred from later commencing the action.

ARTICLE IV Meeting of Shareholders

Section 1. Annual Shareholder Meeting. A regular annual meeting of the shareholders shall be convened by the then-current Board and held at a place in the Ojai Valley designated in the notice of meeting at 9:00 A.M. of the last Saturday in the month of April of each year, for the purpose of electing the directors of the Board and transacting such other Board business as may come before the meeting.

Section 2. Special Shareholder Meeting. Special meetings of the shareholders may be called at any time by the President or by two of the directors, or by the holders of 20% of the shares of stock of the company; all such calls shall have no power to transact any business not stated in the call therefor. The name or names of the person or persons originally initiating the matter or matters to be considered at the special meeting shall be stated in the call. Such person or persons shall be prepared with all pertinent facts and shall be present and place the same in full before the shareholders for their information and guidance in arriving at a conclusion and acting upon the matter or matters.

Section 3. Notice of Shareholder Meeting.

3.1. Manner of Notice. Notice of shareholder meetings shall be given as provided in Article III of these By-laws.

3.2. Contents of Notice. In the case of the annual shareholder meeting, the notice shall specify those matters which the Board, at the time of giving the notice, intends to present for action by the shareholders. The financial statements provided for in Section 7.1 of Article VI shall accompany or be transmitted to shareholders concurrently with the notice of annual shareholder meeting. The notice of any meeting at which directors are to be elected shall include the names of nominees intended at the time of the notice to be presented by the Board for election, pursuant to Corporations Code section 601.

Section 4. Quorum. At any shareholder meeting, the holders of a majority of the subscribed capital stock being present in person or represented by proxy, shall constitute a quorum for all purposes, including the election of directors except when it is otherwise provided by law. If no quorum is present within one hour of the noticed time, the meeting of the shareholders shall be postponed and shall be held within fourteen (14) days of the announced meeting date, with due written notice as provided in Section 3 of Article III.

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Section 5. Voting. At each shareholder meeting, every shareholder shall be entitled to vote in person or by proxy, and shall have as many votes as the shares he or she represents. Cumulative voting shall not be allowed. Unless otherwise specified in these By-laws, all questions shall be decided upon approval of shareholders holding a majority of the subscribed shares of the Company.

5.1. Shareholder List. The secretary shall cause to be prepared and maintained a complete list of shareholder members entitled to vote with the name and address of each member. Such list shall be produced and kept current at the principal office of the Company and shall be open to examination by any shareholder member. No share may be voted at any election which has been transferred less than seven (7) days preceding the date of such meeting.

5.2. Proxies. A shareholder may authorize one (1) individual to vote by proxy in the shareholder's absence, regardless of the number of shares held. The individual may be a fellow shareholder or authorized attorney-in-fact. All proxies must be in writing, executed by the shareholder named on the shareholder list as provided above, or by his or her duly authorized attorney, and the same must be filed with the Secretary before the calling to order by the presiding officer of the meeting at which said proxy is to be used.

The powers of any proxy holder may, at the oral request of the giver entered upon the minutes if he or she be present at the meeting, be suspended during the meeting or any part thereof, or may be wholly revoked by notice in writing on the part of the giver delivered to the Secretary, unless by its terms the proxy was made irrevocable.

ARTICLE V Board of Directors

Section 1. Election. Directors must be shareholders in good standing. Seven directors shall be elected annually at the regular annual shareholder meeting and shall hold office for one year and until their successors are elected or appointed. Nominations may be taken from the floor.

Section 2. Vacancies. A vacancy in the Board shall be filled by an appointee of the Board, who shall hold office until the next regular annual shareholder meeting, unless his or her successor is duly elected by the shareholders at a special shareholders meeting prior thereto. It is the duty of the Board to fill all vacancies with all convenient dispatch as soon as a vacancy occurs. For purposes of determining a quorum, upon the occurrence of a vacancy, the authorized number of directors is correspondingly automatically reduced during the vacancy period.

Section 3. Resignations. Any director may resign by giving written notice to the President or to the Secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective.

Section 4. Director Training. Each director shall within six (6) months of taking office, complete a two-hour course offered by a qualified trainer regarding the duties of board members of mutual water companies, including, but not limited to, the duty of a

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corporate director to avoid contractual conflicts of interest and fiduciary duties. All continuing directors shall repeat this training course every six (6) years. (Health & Saf. Code, § 116755, subd. (a).)

Section 5. Board Meetings.

5.1. First Meeting of Directors. Immediately after each election of directors at a shareholder meeting, the newly elected Board shall hold a regular meeting and organized by the election of a President, a Vice-President, a Secretary and a Treasurer from their number. The same person may be the Secretary and Treasurer. Notice of such meeting shall be included with the notice of shareholder meeting.

5.2. Regular Board Meetings. Regular meetings of the Board shall be held at 3:00 P.M. on the third Friday of each month if not a legal holiday, and if a legal holiday, then on the next succeeding Friday at the same hour. The Board may change the time of meeting. Notice of such regular meeting to directors is hereby dispensed with. In addition to attendance by Eligible Persons, the Board may invite staff, consultants, contractors, outside counsel, or others to attend and, as determined by the President, to participate in discussion of items of Board business. Only Board members have the power to vote at regular and special Board meetings.

5.3. Special Board Meetings. A special meeting of the Board shall be held whenever called by the President, or by two or more of the Directors. Notice of special meetings of the directors shall be given to all directors in such manner as the Board may specify.

5.4. Quorum. At any meeting of the Board a majority of the authorized directors of the Board shall constitute a quorum; provided however, that any number of directors less than a majority present at any meeting may adjourn the same from day to day or from time to time until a quorum be present, and no notice of such adjournment shall be required or given.

5.5. Waiver of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent may be given by any means that is capable of being recorded and stored as part of the Company records, including, without limitation, by e-mail or by electronic transmission to the corporation. All such waivers, consents, and approvals shall be filed with the Company records or made a part of the minutes of the meetings.

Section 6. Committees. The Board may from time to time designate ad hoc committees for specific purposes, to make recommendations to the Board. The action designating the committee shall provide for the appointment of its members and chair, state its purposes, provide for its termination and specify that its committee is not empowered to act. A committee comprised of less than a quorum of directors does not constitute a Board meeting and is not subject to the requirements of Article III of these By-laws.

Section 7. Fees and Compensation. Directors shall not receive any stated salary for their services as directors. With approval by the Board, directors may be paid their

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reasonable expenses or a stipend therefor. Nothing herein shall be construed to preclude any director from serving the Company in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefor.

ARTICLE VI Powers and Duties of Board

Section 1. General. The Board shall have general charge of the management of the business and property of the corporation, and the supervision and control of each officer and employee thereof. The Board shall have power to make and enforce rules and regulations, to make and enforce water service policies, to set rates and charges, and to do and perform such acts as may be permitted under its Articles of Incorporation. Such powers shall be subject to the limitations provided in these By-laws.

Section 2. Power to Appoint. Except as provided in Section 3, below, the Board shall have power to appoint and remove at its discretion all officers (except directors) and all representatives, agents and employees of the corporation, to prescribe their duties, to fix their compensation, and to require of each of them reasonable security for the faithful performance of their duties.

Section 3. Delegation of Powers; Manager; Employment Policies. The Board shall have the power to hire, and, as applicable, discipline and dismiss, a duly qualified general manager or other superintendent ("Manager") to oversee and manage the operation of the Company's water systems and related business operations. In consultation with the Manager, the Board shall approve a staffing plan for the Company's operations and set the compensation ranges for all positions of employment; provided, however, that the Manager shall be responsible for the hiring, performance evaluations, discipline and dismissal of all other Company employees. The Board shall adopt employment policies applicable to the Company's employees.

Section 4. Rules and Regulations. The Board shall have the power to adopt, repeal, modify, from time to time change, and enforce, all rules and regulations not inconsistent with the laws of the State of California, or with the Articles of Incorporation, or with these By-laws, as the Board deems essential or desirable for the management or conduct of the Company's business and affairs, or the exercise of the Board's powers. Without limitation, the rules and regulations may provide for the guidance and procedures of Company officers, agents, representatives, employees, and shareholders; for the distribution and allocation of water; for the setting of rates and charges; and for collections, disconnections, and dispute resolution. Said rules and regulations shall be binding on all shareholders as a condition of service and a matter of contract.

Section 5. Power to Contract; Incur Indebtedness.

5.1. Contracts. The Board shall have the power to enter into contracts without limitation as to dollar amount.

5.2. Indebtedness. The Board shall have power to incur indebtedness subject to the limitation provided herein as it may from time to time deem necessary or

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convenient to the operation, maintenance, and improvement of the Company's water system, and to secure the payment of any such indebtedness by hypothecating any of the Company's property that the Board may deem necessary, and to provide funds to pay any such indebtedness through the setting of its rates and charges. The terms and amount of such indebtedness shall be entered upon the minutes of the Board, and any note or other obligation given pursuant to such action of the Board and signed officially by the duly authorized officers or agents of the Company shall be binding upon the corporation. Any indebtedness incurred by the Board shall not exceed \$100,000 in any one year above the indebtedness, if any, provided for in the approved annual budget except upon approval of shareholders owning a majority of the outstanding shares of the Company.

Section 6. Records. The Board shall cause to be kept complete records of all proceedings of the Board and of all proceedings of any shareholder meetings. The Board shall also cause to be kept complete accounts of all receipts and disbursements made by or on behalf of the Company.

Section 7. Financial Reports; Financial Accounting Review.

7.1. Financial Reports. The Board shall cause an annual financial statement to be prepared and transmitted to shareholders not later than one hundred five (105) days after the close of the Company's fiscal year. (Code, § 1501, subd. (a)(1).) The report shall contain a full statement showing in detail the assets and liabilities of the Company, and the condition of its affairs generally. A copy of the financial statement for the preceding fiscal year and the proposed budget for the current year shall be sent to each shareholder with or concurrently with the notice of annual meeting. The financial statement report, proposed budget, and any accompanying material may be sent to the shareholders by electronic transmission.

7.2. Financial Accounting Review. The Company shall contract with a certified public accountant or public accountant to conduct an annual accounting review of the Company's financial records and reports. A financial audit is not required by these By-laws. The accounting review shall be subject to generally accepted accounting standards. (Corp. Code, § 14306.)

Section 8. Fiscal Year. The Board shall designate a fiscal year for the corporation, which shall become effective upon approval by the shareholders at any meeting of the shareholders.

Section 9. Insurance. The Board shall have the power to purchase and maintain, in the Board's discretion, insurance in such limits as the Board deems appropriate to protect the Company and its directors, officers, employees and agents against loss and damage, including, but not limited, commercial general liability coverage, automobile coverage, employment practices coverage and errors and omissions coverage.

**ARTICLE VII
Officers**

Section 1. Officers. The officers of this corporation shall be a President, a Vice-President, a Secretary and a Treasurer elected from the directors. Said officers shall be elected by and hold office at the pleasure of the Board. The office of Secretary and Treasurer may be filled by the same person.

Section 2. President. The President shall be the chief executive officer of the Company, and shall have general supervision of the business and property of the Company, and general control of its officers and employees, in which, however, the President shall be subject to the control of the Board, and shall obey all necessary orders, actions, and resolutions adopted by the Board.

2.1. The President shall preside over all meetings of the shareholders and of the Board and preserve order and decorum. However, the Board by majority vote may overrule a procedural ruling by the President.

2.2. The President shall sign all certificates of stock and all contracts and other instruments in writing which have been first approved by the Board, and which the President shall be required by the Board or by law to sign.

2.3. The President shall call a meeting of the Board or of the shareholders whenever the President shall deem it necessary or whenever requested so to do in the manner provided by law or by these By-laws.

2.4. With Board approval as provided in Section 3 of Article VI, the President may delegate day-to-day management functions of the Company to a Manager retained by and who reports directly to the Board.

Section 3. Vice-President. It shall be the duty of the Vice-President to perform the duties of the President whenever the latter is absent from the principal place of business of the corporation, or is from any cause unable or neglects to act.

If both the President and Vice-President are absent from any Board meeting, or are disqualified or otherwise unable or neglect to act, a president pro tem may be chosen by those present at said meeting to preside thereat, and while so presiding to exercise all the powers and functions of the President, as well as perform such acts, thereafter as he or she may be specifically directed to perform by the shareholders or directors at such meeting.

Section 4. Secretary. It shall be the duty of the Secretary to attend all Board and shareholder meetings, and to keep and preserve a complete record of all proceedings thereof.

4.1. The Secretary shall keep the corporate seal, a stock transfer book, and book of blank certificates of stock, the Secretary shall fill out and sign all certificates of stock issued and make corresponding entries in the margin of such book of such issuance, and the Secretary shall affix the corporate seal to all papers requiring a seal. The Secretary shall also cancel and fasten in the stock book all surrendered or cancelled certificates of stock.

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4.2. The Secretary shall serve or cause to be served all notices required by law or by the By-laws of this corporation to be served, and in case of his or her absence, inability, refusal or neglect to do so, then such notices may be served by any person thereunto directed by the President of the corporation. The Secretary shall keep all other books and records other than the financial accounts kept by the Treasurer, and sign and preserve all documents as directed by the Board or as required by these By-laws.

4.3. In case of the absence or other inability or neglect of the Secretary to act, the President or other presiding officer may appoint any suitable person to act as Secretary during such absence or inability.

4.4. An Assistant Secretary, when appointed, shall perform the duties of the Secretary in the absence or inability of the latter, and also such of the duties of the Secretary as may from time to time be specified or directed by the Secretary or the Board.

Section 5. Treasurer. It shall be the duty of the Treasurer to oversee the receipt and safe keeping of all moneys and funds of the corporation, and the deposit of same in the name and for the account of the Company in the depository designated by the Board (if such there be), otherwise, in like accounts in one or more solvent and reputable banks. The Treasurer shall be responsible for the keeping of all books of financial account of the Company.

With Board approval, the day-to-day management functions of the Treasurer may be delegated to an employee of the Company and/or a consultant retained by the Board, subject to internal controls policies as the Board may adopt.

ARTICLE VIII Disbursement of Moneys

Section 1. Manner. The Board shall establish the manner of disbursing funds, and no person shall cause the disbursement of moneys unless so authorized by the Board.

Section 2. No Disbursements to Shareholders of Profits or Assets. The Company shall not distribute profits or assets of the Company to the shareholders except upon dissolution. (Corp. Code, § 14301, subd. (b).)

ARTICLE IX Books and Records

Section 1. Inspection by Directors and Shareholders. The books, records and files of the corporation shall be kept in the office of the corporation and shall be open to the inspection of the directors and the shareholders upon prior request during business hours on every day except all Saturdays, Sundays and holidays.

Section 2. Inspection by Eligible Persons. The Company shall make the following records available upon prior written request by and payment of fees covering direct costs of duplication by an Eligible Person:

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Agendas and minutes of Board meetings,

A copy of an annual budget adopted pursuant to subdivision (a) of Section 14306 of the California Corporations Code,

A copy of an accounting report prepared pursuant to subdivision (b) of Section 14306 of the California Corporations Code,

A copy of any records reporting the results of a water quality test,

A copy of an annual report that has been distributed to the mutual water company's shareholders.

Said requests for records shall be limited to the three calendar years preceding the written request for the records. (Corp. Code, § 14307, subd. (a).)

ARTICLE X Certificates of Stock

Section 1. Certificate Contents. Certificates of stock shall be in such form and device as the Board may direct, and shall include a statement that the same is issued and held subject to the rules and regulations of the Company, and that no transfer shall be valid until all indebtedness of the holder to the Company is satisfied, except with the consent of the Board. Such certificates shall be signed by the President or Vice-President and by the Secretary, and express on their face the number, date of issuance, and the number of shares for which and the person to whom issued. The certificate book shall contain a margin on which shall be entered the number, date, and number of shares and the name of the person expressed in the corresponding certificate ("shareholder").

Section 2. No fractional shares. No fractional shares of stock shall be issued by this corporation.

Section 3. Cancelled or Surrendered Certificates. Each cancelled or surrendered certificate shall be fastened in the certificate book at or near the place from which the same was originally taken.

Section 4. Transfer of Shares. Subject to the provisions of Article XIV hereof and the limitations below, shares of stock of the Company shall be transferred with the sale and transfer of the underlying real property. Upon Board review and approval, shares of stock of the corporation may be transferred among existing shareholders subject to the provisions of these By-laws. Acceptance of the certificate by the new holder shall signify his or her assent to the By-laws and rules and regulations of the Company, but no transfer of any stock shall be valid upon which any assessments are due and unpaid, or the holder of which is indebted to the company for water furnished, or on any account whatever, without the consent of the Board.

Section 5. Replacement Certificates. Should a certificate of stock be lost or destroyed, the Board may order a new certificate issued upon such conditions as the Board may deem satisfactory.

ARTICLE XI
Regulations on Use of Water

Section 1. Non-Profit. The distribution and delivery of water to shareholders of the Company shall bring no profit over and above such amount as shall be required to pay the cost of efficient management, to establish a reserve for contingencies, and to pay the cost of maintenance and operation in the delivery of the water, and such betterments and extension to the water system and development and acquisition of water and water rights as may from time to time seem expedient and warranted for the benefit of the stockholders.

Section 2. Service Area. The area to be served by this Company is limited strictly to the following described property containing approximately 1690 acres, located in the Ojai Valley of Ventura County, California:

1—The West half (W $\frac{1}{2}$) of Section 28, T. 5 N., R. 22 W., S. B. M.

2—All of Section 33, T. 5 N., R. 22 W., S. B. M., excepting the East half (E $\frac{1}{2}$) of the Northeast quarter (NE $\frac{1}{4}$) of said Section 33.

3—The North half (N $\frac{1}{2}$) of Section 4, T. 4, T. 4 N., R. 22 W., S. B. M.; and also the North half (N $\frac{1}{2}$) of the Southeast quarter (SE $\frac{1}{4}$) of said Section 4; and also Ventura County Assessor's Parcel Numbers 029-0-110-300, 029-0-110-370, 029-0-110-380 and 029-0-110-390 lying adjacent to and westerly of McAndrew Road in the Southwest quarter (SW $\frac{1}{4}$) of the Southeast quarter (SE $\frac{1}{4}$) of said Section 4 as shown on the Ventura County Assessor's Map Number 29-11 as of February 26, 1993; and also the Northeast quarter (NE $\frac{1}{4}$) of the Southwest quarter (SW $\frac{1}{4}$) of said Section 4, excepting therefrom Ventura County Assessor's Parcel Number 029-0-100-020 of about two acres as shown on the Ventura County Assessor's Map Number 29-10 as of February 26, 1993; and also the two-acre portion of Ventura County Assessor's Parcel Number 029-0-100-130 lying in the Southeast quarter (SE $\frac{1}{4}$) of the Southwest quarter (SW $\frac{1}{4}$) of said Section 4 as shown on the Ventura County Assessor's Map Number 29-10 as of February 26, 1993; and also the North half (N $\frac{1}{2}$) of the Northwest quarter (NW $\frac{1}{4}$) of the Southwest quarter (SW $\frac{1}{4}$) of said Section 4.

4—The Northeast quarter (NE $\frac{1}{4}$) of Section 5, T. 4 N., R. 22 W., S. B. M.; and also the North half (N $\frac{1}{2}$) of the North half (N $\frac{1}{2}$) of the Southeast quarter (SE $\frac{1}{4}$) of said Section 5.

5—The East half (E $\frac{1}{2}$) of the East half (E $\frac{1}{2}$) of Section 32, T. 5 N., R. 22 W., S. B. M., excepting therefrom all that portion of the Southeast quarter (SE $\frac{1}{4}$) of the Northeast quarter (NE $\frac{1}{4}$) of said Section 32 lying adjacent to and westerly of Ladera Road as described by the parcel record data shown on Parcel Map Number 44, Book 2, Ventura County Parcel Maps; and also the Ventura County Assessor's Parcel Numbers 014-0-090-625 and 014-0-090-645 lying in the Southwest quarter (SW $\frac{1}{4}$) of the Southeast quarter (SE $\frac{1}{4}$) of said Section 32 as shown on the Ventura County Assessor's Map Number 14-9 as of February 26, 1993.

Section 3. Repair and Replacement Fund; Rate Structure.

3.1. Repair and Replacement Fund. The Board shall establish a rate structure that will result in the accumulation and maintenance of a reserve fund for the upgrading, improvement, repair, and replacement of the water supply, treatment, and distribution system at a level sufficient for continuous operation of facilities in compliance with the federal Safe Drinking Water Act and the California Safe Drinking Water Act. (Corp. Code, § 14301.3, subd. (b).) The Board, in its discretion, may establish other funds as it sees fit, such as a separate capital improvement fund or rate stabilization fund.

3.2. Rate Structure. The rates and charges for water service shall bear a reasonable relationship to the cost of furnishing water, including surcharges or penalties on supplies acquired by the Company. The rate structure, including surcharges or penalties, as well as the Rules and Regulations for Water Service, below, shall promote the beneficial use of water among all shareholders in a manner that is reasonable and not wasteful. (Cal. Const., art. X, § 2.) The rate structure and specific rates and charges may be amended by the Board at any regular or special Board meeting.

Section 4. Rules and Regulations for Water Service. The Board shall adopt “Rules and Regulations for Water Service.” Unless otherwise approved by the Board, all water service shall be made in accordance with these rules and regulations. The Rules and Regulations for Water Service may be amended by the Board at any regular or special Board meeting.

Section 5. Adherence to By-laws and Rules and Regulations. Ownership of stock in the Company coupled with ownership of land within said area shall not in itself entitle the shareholder to water, but these By-laws, the Rules and Regulations for Water Service, and all other rules, regulation and requirements of the Board lawfully made, shall first be complied with.

Section 6. Meters. The Company shall have installed, at suitable place or places, efficient water-measuring devices by which the amount of water may be determined at any and all times, for the records of the Company and inspection of its shareholders, and in determining the amount of charges. Such meters shall be sealed and kept sealed by the Company in accordance with standard practice. Any bypass line shall also be sealed in accordance with the above.

Section 7. Delivery of Water. Except as otherwise provided by law and authorized by the Board, water shall be sold, distributed, supplied and/or delivered by this Company only to the owners of the shares of its capital stock and in proportion to the number of shares held by each. (Corp. Code, § 14300.) As provided by law, the Company may sell, transfer, or exchange water to the state, schools, any public agency or another mutual water company; in addition, in the event of emergency, the Company may sell water at cost to any person. (*Id.*)

Section 8. Water Shortages.

8.1 General. During times of threatened or actual water shortage, the Board shall, through the imposition of rates, penalties, incentives, water use restrictions, or other means, allocate and apportion the Company’s available water supplies among the

By-laws of the Senior Canyon Mutual Water Company

shareholders in a manner that appears most equitable under the circumstances then prevailing, that maintains a reliable water supply to the most essential uses, and which considers the water use restrictions and financial penalties applied to other water users in the Ojai Valley.

8.2. **Water Waste Prohibitions.** The Company may prohibit the wastage of Company water and, during times of threatened or actual water shortage, may prohibit or restrict nonessential uses of Company water as the Board determines necessary to maintain water service to essential uses.

8.3 **Water Shortage Emergency.** The Company may declare a water shortage emergency condition to prevail within the service area whenever it finds and determines that the ordinary demands cannot be satisfied without depleting water supplies to the extent that there would be insufficient water for human consumption. (Wat. Code, § 350.) In this event, the Company shall follow the procedures provided by Water Code sections 350 – 359 in the implementation of the water shortage emergency declaration and actions.

Section 9. Delinquent Payments. As provided in Article XIV of these By-laws, the Company may levy an assessment against its shares, and if the shares become delinquent in their payment, the Company may take any or all of the following actions: (1) deny the delivery of water; (2) sell or transfer the shares to another person; (3) cause the shares to be forfeited to the Company. (Corp. Code, § 14303.) In the event of delinquency of any unpaid shareholder bills, the Company may in addition or in the alternative file a lien against the shareholder's property, institute action in any court of competent jurisdiction, cause the delinquent amount to be added to and become a part of the annual tax levied upon the property in accordance with California Water Code section 72094, et seq., and/or take any other legal remedies to effect collection of the unpaid bills.

ARTICLE XII

Seal

This corporation shall have a seal consisting of an outer circle bearing in its circumference the words "Senior Canyon Mutual Water Company, Ojai, California" and within the words, "Incorporated April 11, 1929."

ARTICLE XIII

Registry of Post Office and E-mail Addresses

Section 1. Post Office Address. Each shareholder and each director shall register with the Secretary his or her Post Office address and any changes to the address when made, and such address, or if changed the last registered address, shall be and be deemed to be the last known Post Office address of such director or shareholder, and the place to which any or all notices required to be mailed shall be addressed.

Section 2. E-mail Address. Shareholders may opt for electronic transmission of documents from the Company in lieu of or in addition to postal delivery by so indicating to the Secretary and providing an e-mail address and any changes to the address when made.

By-laws of the Senior Canyon Mutual Water Company

It shall be in the Company's discretion to determine whether a particular document is or is not appropriate for electronic transmission.

ARTICLE XIV Assessments and Liens

No assessment shall be levied upon the shareholders by the Board without the previous authorization of the shareholders by a majority vote. Subject to such requirement, the Board shall have power to levy equitable and equal assessments, from time to time, upon all stock outstanding, in such amount as shall be deemed adequate for maintenance of the water distribution, extensions of the conveying system, improvements in, and develops and acquisition of source of water supply, general necessary or desirable repairs, and the usual fixed expenses such as the employment of laborers, the payment of taxes, insurance and purchase of materials and supplies, and for re-payment of any sums borrowed by the Board as herein authorized. Payments of assessments shall be enforced as provided by law. The corporation shall have a lien upon such shares for any assessment due and unpaid, or the holder of which is indebted to the Company for water furnished, or on any account whatever, and in any such situation transfer of the shares may be refused. The Board is authorized to cut off the water supply of any shareholder whose assessment or payment of any obligation to the Company has become delinquent, and to refuse to deliver water to such shareholder until such assessment or obligation shall be satisfied.

ARTICLE XV By-laws

Section 1. Amendment. These By-laws may be repealed or amended or new By-laws may be adopted at any annual meeting of shareholders, or at any other meeting of the shareholders called for that purpose as one of its special objects, by a vote in either case of shareholders holding a majority of the subscribed capital stock of the corporation, or by the written assent of such shareholders.

Section 2. By-law Provisions Additional and Supplemental to Provisions by Law. All restrictions, limitations, requirements and other provisions of these By-laws shall be construed, insofar as possible, as supplemental and additional to all provisions of law applicable to the subject matter thereof and shall be fully complied with in addition to the said provisions of law unless such compliance shall be illegal.

Section 3. By-law Provisions Contrary to or Inconsistent with Provisions of Law. Any article, section, subsection, subdivision, sentence, clause or phrase of these By-laws which, upon being construed in the manner provided in Section 2, above, shall be contrary to or inconsistent with any applicable provision of law then effective, shall not apply so long as said provisions of law shall remain in effect, but such result shall not affect the validity or applicability of any other portions of these By-laws. Further, the Company shall operate consistent with said provisions of law notwithstanding an inconsistent or non-existent provision of these By-laws.

By-laws of the Senior Canyon Mutual Water Company

CERTIFICATE OF SECRETARY TO ADOPTION OF BY-LAWS OF
SENIOR CANYON MUTUAL WATER COMPANY

STATE OF CALIFORNIA)
County of Ventura) ss

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of the Senior Canyon Mutual Water Company, a California corporation; and
2. That the foregoing By-Laws comprising eleven (11) pages constitute the original by-laws of said corporation as duly adopted by amendment at the annual meeting of shareholders of said corporation duly called and held on January 21, 1952.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this twenty-first day of January, 1952.

GODFREY JACOBS
Secretary

(SEAL)

CERTIFICATE OF SECRETARY TO REVISION OF BY-LAWS OF
SENIOR CANYON MUTUAL WATER COMPANY

STATE OF CALIFORNIA)
County of Ventura) ss

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of the Senior Canyon Mutual Water Company, a California corporation; and
2. That the foregoing By-Laws comprising seven (7) pages constitute the revised by-laws of said corporation as duly adopted by amendment at the annual meeting of shareholders of said corporation duly called and held on February 1, 1993.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this first day of February, 1993.

WILLIAM PRATHER
Secretary

(SEAL)

By-laws of the Senior Canyon Mutual Water Company

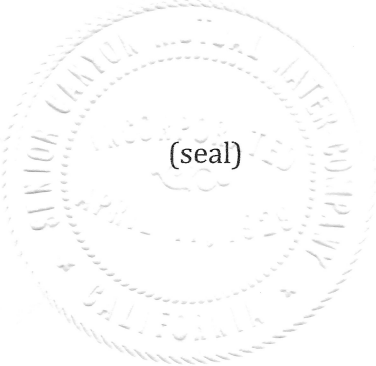
CERTIFICATE OF SECRETARY TO REVISION OF BY-LAWS OF
SENIOR CANYON MUTUAL WATER COMPANY

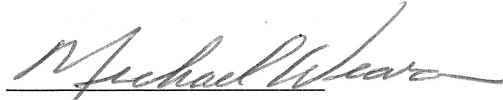
STATE OF CALIFORNIA)
County of Ventura) ss

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Senior Canyon Mutual Water Company, a California corporation; and
2. That the forgoing By-laws comprising 15 roman numbered pages constitute the revised by-laws of this corporation as duly adopted at a special meeting of the shareholders called and held on Oct. 30, 2021.

IN WITNESS of this, I have subscribed my name and affixed the corporation's seal as of this 19th day of November, 2021.




Mike Weaver, Secretary